

PRIME LEASE

THIS PRIME LEASE dated as of _____, 2002, by and between the **BOARD OF SUPERVISORS OF FAUQUIER COUNTY, VIRGINIA**, on behalf of **Fauquier County, Virginia**, a political subdivision of the Commonwealth of Virginia (the "County"), as lessor, and _____, a _____ (the "Bank"), as lessee, provides:

W I T N E S S E T H:

WHEREAS, the Bank desires to acquire a leasehold interest in certain land located in the Fauquier County, Virginia, as more fully described in Exhibit A (such land and all improvements now or hereafter existing thereon, the "Property"), and to provide funds for the costs of acquisition of the Property by the County and the construction and equipping of a County library on such Property (collectively, the "Project"); and

WHEREAS, the County has heretofore acquired the Property and desires to lease the Property to the Bank in order to finance the costs of acquiring, constructing and equipping the Project;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

Section 1. Lease of Property. The County demises and leases to the Bank, and the Bank hereby leases from the County, the Property.

Section 2. Term. The term of this Prime Lease shall commence on the execution hereof and shall expire twenty (20) years from the date hereof, unless such term is terminated earlier as hereinafter provided.

Section 3. Rental. The Bank shall pay to the County, upon the execution hereof, as and for rental hereunder the sum of \$10.00 and other valuable consideration, receipt of which is hereby acknowledged, representing rental of the Property in advance for the term of this Prime Lease.

Section 4. Purpose. The Bank shall use the Property for the purposes of providing space for the County and leasing the same to the County pursuant to a Lease Agreement dated as of _____, 2002 (the "Lease Agreement"), as well as for such purposes as may be incidental thereto and any other purposes allowable under the Virginia Code (as defined in the Lease Agreement).

Section 5. Title to Property. The County represents and warrants that it is the owner in fee simple of the Property as it exists on the date hereof.

Section 6. Assignment and Sublease. The Bank may assign its rights under this Prime Lease or sublet the Property, without the consent of the County only (a) in connection with any assignment of its rights under the Lease Agreement, (b) if the Lease Agreement is

terminated for any reason or (c) if an Event of Default (as defined in the Lease Agreement) has occurred and is continuing.

Section 7. Termination. (a) Upon the earlier of (i) receipt by the Bank of all Basic Rent and Additional Rent (each as defined and provided for in the Lease Agreement), whether paid by the County or, upon an event of default or non-appropriation under the Lease Agreement, credited to the County's account pursuant to Sections [10.2 or 11.1(e)] of the Lease Agreement, or (ii) the expiration of the term hereof, the leasehold estate of the Bank hereunder shall be transferred, conveyed and assigned by the Bank to the County and, with respect to the Property, shall be terminated through merger of the leasehold interest with the County's fee simple interest. At such time, all improvements erected on the Property shall revert to the County and be free from any encumbrances (other than Permitted Encumbrances, as defined in the Lease Agreement). The Bank agrees, upon such transfer, conveyance, assignment and termination, to surrender the Property to the County and, upon the request of the County, to execute appropriate instruments evidencing such transfer, conveyance and assignment.

(b) The County shall not have the right to exclude the Bank from the Property or take possession of the Property (other than pursuant to the Lease Agreement) or to terminate this Prime Lease prior to the expiration of its term upon any default by the Bank of its obligations hereunder, except that if, upon payment of all amounts specified in Article [V] of the Lease Agreement, the Bank fails to convey its leasehold estate hereunder to the County, then the County shall have the right to terminate this Prime Lease, such termination to be effective 30 days after giving the notice of such termination to the Bank. However, in the event of a default by the Bank hereunder, the County may maintain an action for specific performance

(c) Upon its termination, this Prime Lease may not be renewed if the County determines that the Property is required for any of the purposes set forth in Section 15.2-1639 of the Virginia Code.

Section 8. Quiet Enjoyment. Subject to the Lease Agreement and Permitted Encumbrances, the Bank at all times during the term of this Prime Lease shall peaceably and quietly have, hold and enjoy the entire leasehold estate created hereunder.

Section 9. Amendments to Release Property. In the event that the County elects to prepay Basic Rent from any Net Proceeds (as defined in the Lease Agreement) relating to the Property received from any condemnation or loss of title award obtained pursuant to Section [7.4] of the Lease Agreement, Exhibit A may be amended, at the option of the County, to release any portion of the Property, as applicable, from the terms of this Prime Lease so long as the removal of such portion of the Property leaves the Project with a market value, as determined by a licensed real estate appraiser mutually acceptable to the Bank and the County, at least equal to the sum of the principal components of Basic Rent then outstanding under the Lease Agreement.

Section 10. Notices. Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or when mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the County, at 40 Culpeper Street, Warrenton, Virginia 20186 (Attention: County Administrator), or (b) if to the Bank, at

_____, _____, _____ (Attention: _____). The County and the Bank may, by notice given hereunder, designate any future or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 11. Severability. If any provision of this Prime Lease shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 12. Successors and Assigns. This Prime Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 13. Counterparts. This Prime Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 14. Governing Law. This Prime Lease shall be governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties have caused this Prime Lease to be duly executed by their duly authorized representatives, all as of the date first above written.

**BOARD OF SUPERVISORS OF FAUQUIER
COUNTY, VIRGINIA**

By _____
Chairman

By _____

Its _____

The foregoing instrument was acknowledged before me in _____, Virginia, this ____ day of _____, 2002, by _____, Chairman, Board of Supervisors of Fauquier County, Virginia.

Notary Public

The foregoing instrument was acknowledged before me in _____, Virginia, this ____ day of _____, 2002, by _____, _____, _____, _____.

Notary Public

Description of Property